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(For Applicant)

eBay, Inc.
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San Jose, CA 95125

(Petitioner)

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OFFICE OF PETITIONS

Access Petition for in re application :
Thomas G. Woolston :
Application No. 09/670,562 :
Filed: September 27, 2000 :
Attorney Docket No. 13466-002005 :

DISMISSAL
37 CFR § 1.14(i) PETITION
FOR ACCESS

Title: METHOD FOR FACILITATING COMMERCE AT AN INTERNET-BASED AUCTION

INTRODUCTION

This is a decision on a January 11, 2007 third party petition entitled "PETITION FOR ACCESS OR COPIES PURSUANT TO 37 CFR § 1.14(h)" and a February 2, 2007 applicant opposition entitled "PATENT OWNER'S OPPOSITION TO THIRD PARTY REQUESTOR'S PETITION FOR ACCESS OR COPIES PURSUANT TO 37 CFR § 1.14(h)."

The petition is before the Office of Patent Legal Administration for consideration.

The petition is **DISMISSED** for the reasons set forth below.

FACTS

1. On April 26, 1995, Thomas G. Woolston (applicant) filed patent application 08/427,820 (the '820 application).

2. On November 7, 1995, applicant filed patent application 08/554,704 (the '704 application) with a benefit claim to the '820 application under 35 USC § 120 as a continuation-in-part application.

3. On October 6, 1998, applicant filed patent application 09/166,779 (the '779 application) with a benefit claim to the '820 application through the '704 application under 35 USC § 120 as a continuation application.

4. On December 1, 1998, the '704 application was issued by the Office as US Patent 5,845,265 (the '265 patent).

5. On February 19, 1999, applicant filed patent application 09/253,021 (the '021 application) with a benefit claim to the '820 application through the 09/166,779 application as a divisional application under 35 USC § 121 and through the '704 application.

6. Also on February 19, 1999, applicant filed patent application 09/253,014 (the '014 application) with a benefit claim to the '820 application through the 09/166,779 application as a divisional application under 35 USC § 121 and through the '704 application.

7. On March 8, 1999, applicant filed patent application 09/264,573 (the '573 application) with a benefit claim to the '820 application through the 09/166,779 application as a continuing application under 35 USC § 120 and through the '704 application.

8. On July 4, 2000, the '573 application was issued by the Office as US Patent 6,085,176 (the '176 patent).

9. On September 27, 2000, applicant filed patent application 09/670,562 (the '562 application) with a benefit claim to the '820 application through the '704 application under 35 USC § 120 as a continuation application and through divisional applications '014 and '779.

10. On March 13, 2001, the '021 application was issued by the Office as US Patent 6,202,051 (the '051 patent).

11. On September 26, 2001, the MercExchange, the assignee of applicant's patents, filed suit against eBay, the petitioner in the instant decision, *inter alia,* for infringement of the '051, the '176 and the '265 patents. *See MercExchange, L.L.C. v. eBay Inc.,* No. 2:01-736 (E.D. Va.)

12. On November 22, 2004 the Office issued a notice of abandonment in the '820 application.

13. On January 11, 2007, petitioner submitted a petition for access under 37 CFR 1.14(i) requesting access to the '562 application on the basis of "special circumstances."

14. On August 2, 2007, petitioner submitted a status inquiry regarding a decision on their request for access. In the status inquiry petitioner asserted that applicant on February 2, 2007 had filed an opposition to the petition for access.

15. On February 4, 2008, in response to an Office inquiry regarding the existence of a February 2, 2007 opposition submission, applicant provided copies of the February 2, 2007 opposition submission, along with a post card receipt showing proof of submission on February 2, 2007.

RELEVANT LAW

35 USC § 122(a) states:

> (a) CONFIDENTIALITY.- Except as provided in subsection (b), applications for patents shall be kept in confidence by the Patent and Trademark Office and no information concerning the same given without

authority of the applicant or owner unless necessary to carry out the provisions of an Act of Congress or in such special circumstances as may be determined by the Director.

37 CFR § 1.14(a) states (in part):

(a) *Confidentiality of patent application information.* Patent applications that have not been published under 35 U.S.C. 122(b) are generally preserved in confidence pursuant to 35 U.S.C. 122(a). Information concerning the filing, pendency, or subject matter of an application for patent, including status information, and access to the application, will only be given to the public as set forth in § 1.11 or in this section.

(1) Records associated with patent applications (see paragraph (g) for international applications) may be available in the following situations: . . . .

(v) *Unpublished pending applications (including provisional applications) whose benefit is claimed.* A copy of the file contents of an unpublished pending application may be provided to any person, upon written request and payment of the appropriate fee (§ 1.19(b)), if the benefit of the application is claimed under 35 U.S.C. 119(e), 120, 121, or 365 in an application that has issued as a U.S. patent, an application that has published as a statutory invention registration, a U.S. patent application publication, or an international patent application publication that was published in accordance with PCT Article 21(2). A copy of the application-as-filed, or a specific document in the file of the pending application may also be provided to any person upon written request, and payment of the appropriate fee (§ 1.19(b)). ***The Office will not provide access to the paper file of a pending application, except as provided in paragraph (c) or (i) of this section.***

(vi) *Unpublished pending applications (including provisional applications) that are incorporated by reference or otherwise identified.* A copy of the application as originally filed of an unpublished pending application may be provided to any person, upon written request and payment of the appropriate fee (§ 1.19(b)), if the application is incorporated by reference or otherwise identified in a U.S. patent, a statutory invention registration, a U.S. patent application publication, or an international patent application publication that was published in accordance with PCT Article 21(2). ***The Office will not provide access to the paper file of a pending application, except as provided in paragraph (c) or (i) of this section.***

(vii) *When a petition for access or a power to inspect is required.* Applications that were not published or patented, that are not the subject of a benefit claim under 35 U.S.C. 119(e), 120, 121, or 365 in an application that has issued as a U.S. patent, an application that has published as a statutory invention registration, a U.S. patent application publication, or an international patent application publication that was published in accordance with PCT Article 21(2), or are not identified in a U.S. patent, a statutory invention registration, a U.S. patent application publication, or an international patent application that was published in accordance with PCT Article 21(2), ***are not available to the public.*** If an application is identified in the file contents of another application, but not the published patent application or patent itself, ***a granted petition for access (see paragraph (i)) or a power to inspect (see paragraph (c)) is necessary to obtain the application, or a copy of the application.***

37 CFR § 1.14 (c) states:

(c) *Power to inspect a pending or abandoned application.* Access to an application may be provided to any person if the application file is available, and the application contains written authority (*e.g.*, a power to inspect) granting access to such person. The written authority must be signed by:

(1) An applicant;

(2) An attorney or agent of record;

(3) An authorized official of an assignee of record (made of record pursuant to § 3.71 of this chapter); or

(4) A registered attorney or agent named in the papers accompanying the application papers filed under § 1.53 or the national stage documents filed under § 1.495, if an executed oath or declaration pursuant to § 1.63 or § 1.497 has not been filed.

37 CFR § 1.14 (i) states:

(i) *Access or copies in other circumstances.* The Office, either *sua sponte* or on petition, may also provide access or copies of all or part of an application if necessary to carry out an Act of Congress or if warranted by other special circumstances. Any petition by a member of the public seeking access to, or copies of, all or

part of any pending or abandoned application preserved in confidence pursuant to paragraph (a) of this section, or any related papers, must include:

(1) The fee set forth in § 1.17(g); and

(2) A showing that access to the application is necessary to carry out an Act of Congress or that ***special circumstances exist which warrant petitioner being granted access to all or part of the application.***

MPEP 103 (V) states (in part):

The petition may be filed either with proof of service of copy upon the applicant, assignee of record, or attorney or agent of record in the application to which access is sought, or the petition may be filed in duplicate, in which case the duplicate copy will be sent by the Office to the applicant, assignee of record, or attorney or agent of record in the application (hereinafter "applicant"). A separate petition, with fee, must be filed for each application file to which access is desired. Each petition should show not only why access is desired, but also why petitioner believes he or she is entitled to access. The applicant will normally be given a limited period such as 3 weeks within which to state any objection to the granting of the petition for access and reasons why it should by denied. If applicant states that he or she has no objection to the requested access, the petition will be granted. If objection is raised or applicant does not respond, the petition will be decided on the record. If access is granted to the application, any objections filed by the applicant will be available to the petitioner since these papers are in the application file. If access to the application is denied, petitioner will not receive copies of any objections filed by the applicant. A determination will be made whether "special circumstances" are present which warrant a grant of access under 35 U.S.C. 122. See below when the application is the basis of a claim for benefit of an earlier filing date under 35 U.S.C. 120 or part of the application is incorporated by reference in a United States patent. ***"Special circumstances" could be found where an applicant has relied upon his or her application as a means to interfere with a competitor's business or customers.*** See *In re Crossman,* 187 USPQ 367 (PTO Solicitor 1975); *In re Trimless Cabinets*, 128 USPQ 95 (Comm'r Pat. 1960); and *Ex parte Bonnie-B Co.*, 1923 C.D. 42, 313 O.G. 453 (Comm'r Pat. 1922). Furthermore, "special circumstances" could be found where an attorney or agent of record in an application in which a provisional double patenting rejection is made does not have power of attorney in the copending application having a common assignee or inventor. However, a more expeditious means of obtaining access would be to obtain power to inspect from an assignee or inventor. See MPEP § 104 and § 106.01. [Emphasis added]

PETITION

A petition for access under 37 CFR § 1.14(h), now (i), was filed by Mr. Jay B. Monahan on behalf of eBay, Inc., for access to the above-identified application on January 11, 2007, with proof of service upon applicants.

A member of the public may be entitled to access if "special circumstances" are shown which warrant a grant of access under 35 USC § 122. See Manual of Patent Examination Procedure (MPEP), Section 103. The use of such application to interfere with the business of others may be such special circumstances. *Ex parte Bonnie-B Co., Inc.*, 1923 C.D. 42; *In re Application for Trimless Cabinets*, 128 USPQ 95 (Comm'r Pats. 1960); and *In re Crossman, Kenrick and LeMieux*, 187 USPQ 367 (PTO Sol. 1975).

Petitioner states that access should be granted to the above-identified application, based upon two separate grounds, both of which are asserted as being "special circumstances." Petitioner asserts that: (1) access is warranted because any trade secrets contained in the '562 application have already been published (petition, pages 5-8) and, if not, the Office can employ protective measures to prevent the disclosure of any trade secret, proprietary, or protective order materials in the '562 application (petition, pages 11-13); and (2) access is warranted because MercExchange is using its applications to interfere with petitioner's business and customers (petition, pages 8-11).

OPPOSITION

An opposition filed by applicant on February 2, 2007 asserts that petitioner's position regarding the existence of special circumstances is without merit. Specifically, applicant notes that eBay has failed to demonstrate that MercExchange has made threats based upon the '562 application to interfere with eBay's business and customers or any other "special circumstances." Additionally, applicant has asserted the existence of a protective order, which is supported by attachment #1 submitted with the opposition. Finally, applicant asserts that petitioner's request for access exceeds the scope of the protective order.

DECISION

MPEP 103 (V) notes that special circumstances have been found if an applicant used their application to interfere with a competitor's business or customers.

Lacking Trade Secrets Basis for Access

Regarding the first grounds, petitioner asserts access should be granted because the written description of the '562 application has already been published by dint of issued US Patent No. 5,845,265. The '562 application claims benefit to the '265 patent and both claim benefit to application 08/427,820, i.e. the ultimate original application. As the '562 application is not identified as a continuation-in-part application, it should be identical to the common disclosure of the '820 application, which is open to the public based on the '265 patent's benefit claim to the '820 application.

The mere existence of a published patent or application in a series of benefit claims in an application is not a fact that is viewed as constituting "special circumstances" for granting access to an application that is not available to the public. See MPEP 103(V). The fact that the '562 application can no longer contain trade secret material is not a basis upon which access is granted under special circumstances. Applicant of the '562 application is entitled to the confidentiality afforded by 35 USC § 122 and 37 CFR § 1.14 unless petitioner can show special circumstances that warrant stripping away the statutory right to confidentiality, which is further supported by the rule. Petitioner's reliance on an alleged lack of any remaining trade secret information in the '562 application is an insufficient basis upon which to grant petitioner, as a member of the public, access to the '562 application, in light of the statutory mandate of confidentiality established by Congress under 35 USC § 122(a). Therefore, regardless of the lack of trade secrets in the '562 application, the public does not have a right to preview the claims in a pending, unpublished application.

A previous version of 37 CFR § 1.14, effective December 1, 1997, did permit access by the public to abandoned applications, which claimed benefit to an application that was open to public inspection. Access was permitted to abandoned applications that, by way of a 35 USC § 120 benefit claim, were child applications of an application open to public inspection. [1,2]

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[1] See 37 CFR 1.14(e)(2)(i) or (ii):

> Public access to a pending or abandoned application. Access to an application may be provided to any person if a written request for access is submitted, the application file is available, and any of the following apply:
> * * * * *

However, even under that version of the rule, pending applications, such as the '562 application, were expressly excluded from this possibility of access.[3] 37 CFR § 1.14 has since been further amended, eliminating public access to even abandoned child applications of patent applications which are open to the public.[4] Therefore, by operation of 37 CFR § 1.14 the '562 application retains a statutory right of confidentiality as outlined in 35 USC §122(a), regardless of the fact that published patent '265 exists in the '562 application's benefit claims.

Interference with Business and Customers Basis for Access

Regarding the second grounds, petitioner alleges that applicant is using a family of issued patents and patent applications, of which the '562 patent application is a member, to interfere with petitioner's businesses and customers. The petition also includes several exhibits which contain a copy of a Patent Enforcement Agreement, excerpts of a Motion in Limine memoranda, transcripts from related trial court litigation proceedings, news articles discussing related litigation, and a 37 CFR § 1.132 declaration made by Mr. Woolston in a related patent examination proceeding, the '820 application.

The reliance by an applicant upon a pending application to interfere with the business and customers of a competitor may constitute a "special circumstance" to justify access to a pending, unpublished application. Petitioner, however, has not established such a case of special circumstances.

Petitioner is asserting that applicant is using an entire patent and patent application family to interfere with petitioner's business and customers. (Petition at page 10, lines 1-2). Petitioner does not focus on how the '562 application is being used to interfere with petitioner's business and customers. Petitioner states, "MercExchange has nonetheless attempted for years to use [the] '562 application and its family to interfere with eBay's business and customers." (Petition at page 8, lines 16-18). Thereafter, petitioner focuses on evidence and arguments related to the broad assertion that the '562 application's patent family was used against petitioner, namely the issued patents. Additionally, petitioner makes an oblique assertion that by enforcing issued patents, which are related to the '562 application, an applicant thereby is using the '562 application to interfere with petitioner's business and customers. Petitioner states that MercExchange is interfering with petitioner's business by asserting in court three issued patents against petitioner, the '176 patent, the '051 patent and the '265 patent, which are all in the '562 application's family. (Petition at page 10, lines 1-7). Filing a civil action for patent infringement in the federal courts, however, is one course of action a patent owner may legitimately take against an alleged infringer in order to protect the property rights of their patent grant.

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(2) The application is abandoned, it is not within the file jacket of a pending application under § 1.53(d), and it is referred to:
(i) In a U.S. patent; or
(ii) In another U.S. application which is open to public inspection either pursuant to § 1.11(b) or paragraph (e)(2)(i) of this section.

62 Fed. Reg. 53131, 53182 October 10, 1997, effective December 1, 1997.

[2] See Changes to PTO Practice and Procedure – Final Rule Questions and Answers Effective Date: December 1, 1997, Question 85, answer subsection 3. Copy attached to this decision.

[3] *Id.*

[4] 37 CFR 1.14(a)(1)(iv) and (v)

Petitioner does not provide any direct evidence to support their assertion that applicant used the '562 application to interfere with petitioner's business and customers. Instead, petitioner provides exhibits that support the fact that the applicant of the '562 application is only using issued patents against petitioner, which just so happen to be related to the '562 application. None of the exhibits provided support that applicant is using the '562 application to interfere with petitioner's business and customers.

Petitioner's only direct argument relating to the '562 application, not withstanding the alleged attempt by applicant for years to interfere with petitioner's business and customers, is a statement that "MercExchange represented to the media that its pending patent applications were a strategic threat to eBay and its customers." (Petition at page 10, lines 12-13) The argument is alleged to be supported by Exhibit K (Anitha Reddy, *Ruling Prompts EBay To Revise Earnings,* Wash. Post, Aug. 12, 2003 at E05). Petitioner quoted the article's closing paragraph "Woolston also said that he is confident MercExchange will eventually be able to sue eBay for infringing a patent related to online auction technology." The entire article, to include the quote noted by petitioner, is devoid of any citation to the '562 application in any way, nor is it clear that the reference to "online auction technology" was intended to refer to the '562 application or any other application then pending. Therefore, based upon the evidentiary submission by petitioner of the August 12, 2003 Washington Post article, the '562 application appears not to have been used in a threatening manner against petitioner's business and its customers.

In regards to MercExchange's enforcement agreement with Aden Enterprises, Inc., the agreement is devoid of any agreement to use the '562 application in a threatening manner against eBay and its customers. The agreement does note that MercExchange and Aden are to cooperate in patent infringement actions against eBay; however the agreement limits such legal actions to issued patents or granted patent applications. Therefore, the agreement does not include the initiation of any legal action against eBay wherein a currently pending application will be used as the basis of any suit, *e.g.,* the '562 application.

Finally, in regard to the 37 CFR § 1.132 declaration executed by Mr. Woolston and submitted to the Office in the '820 application, the declaration is devoid of any threats or assertions that the '562 application was to be used in a threatening manner against eBay and its customers.

In the absence of direct evidence to the contrary, applicant's actions in regard to the '562 application appear not to have exceeded the bounds of propriety or amount to anything more than what applicant has a right to do with their issued patents that are related to the '562 application. Therefore, without a proper showing of special circumstances the petition cannot be granted.

Litigation

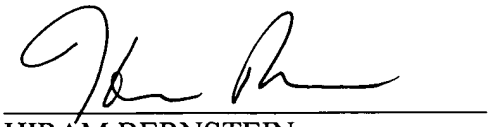
When a matter is in litigation, the Office generally defers to the court's discretion as to whether or not and under what conditions one litigant should have access to another litigant's pending applications, not withstanding any special circumstances.

The petition is **DISMISSED.**

CONCLUSION

1. Petitioner's request for access to application 09/670,562 is DISMISSED.

2. Inquiries relating to this matter may be directed to Joseph F. Weiss, Jr., Legal Advisor, at (571) 272-7759.



HIRAM BERNSTEIN
Senior Legal Advisor
Office of Patent Legal Administration
Office of the Deputy Commissioner
for Patent Examination Policy

Encl.
Changes to PTO Practice and Procedure –
Final Rule Questions and Answers Effective Date:
December 1, 1997, Question 85, answer subsection 3.

CHANGES TO PTO PRACTICE AND PROCEDURE - FINAL RULE
QUESTIONS AND ANSWERS
Effective Date: December 1, 1997

filed after the effective date of the rule?

Answer: No. The changes to the rules with respect to deceptive intent will apply not only to applications filed after the effective date of the rule, but also to earlier-filed applications that are pending on the effective date of the rule. (See "Reissue Practice" Section for a question relating to the sufficiency of a reissue oath or declaration.)

III. CONFIDENTIALITY OF APPLICATIONS - 37 C.F.R. § 1.14

(Q85) Which *abandoned* applications may be released to the public without a power to inspect or a granted petition for access?

Answer: An abandoned application that is in the file jacket of a pending application under 37 C.F.R. § 1.53(d) (*i.e.*, a CPA) may *not* be released to a requester without a power to inspect or a granted petition for access, unless the requester is the applicant or assignee. *Abandoned* applications (other than those inside a CPA) which may be released to the public are as follows:

1. abandoned applications which are referred to in the text of a U.S. patent;
2. abandoned applications which are referred to in an application (either in the prosecution history or in the text of the application) that is open to public inspection (for example, a patent file, a reissue, an abandoned application that claims priority under 35 U.S.C. § 120 to an application that has issued as a patent, an abandoned application that is referred to in the text of a patent or in an application that is open to public inspection);
3. abandoned applications which claim the benefit of an application that is open to public inspection - that is, one that claims § 120 priority to, or is a child application of, an application that is open to public inspection (the PALM 2962 transaction can be used to determine continuity data); or
4. abandoned applications which have been laid open by the applicant.

(Q86) If an application is referred to in the text of a patent, can access to the application be given to a member of the public who is not the applicant?

Answer: Maybe. If the application is *pending*, then the pending application should *not* be released without a petition decision granting access to the member of the public or a power to inspect. If the application is *abandoned*, then 37 C.F.R. § 1.14(a)(3)(iv)(A) permits the member of the public to obtain access to or copies of the abandoned application, except if it is in the file of a CPA.

(Q87) What if the *pending* application is incorporated by reference in the patent?

Answer: As long as the application is *pending*, then the pending application file should *not* be released without a petition decision granting access to the member of the public or a power to inspect. However, 37 C.F.R. § 1.14(a)(2) provides that a member of the